

P-465/C-89-924 ORDER APPROVING REFUND PLAN

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Darrel L. Peterson
Cynthia A. Kitlinski
Dee Knaak
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Chair
Commissioner
Commissioner
Commissioner
Commissioner

In the Matter of a Complaint
Against U.S. Link for Offering
an Untariffed Pricing Plan,
"Omni Link"

ISSUE DATE: July 10, 1991

DOCKET NO. P-465/C-89-924

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PROCEDURAL HISTORY

On September 25, 1989, U. S Link began offering a new long distance toll discount plan called "Omni Link" without filing a tariff with the Commission.

On October 18, 1989, National TeleService filed a complaint against the Company for offering "Omni Link" without a tariff.

On July 6, 1991, the Minnesota Department of Public Service (the Department) filed its report and recommendation.

On September 25, 1990, the Company filed a proposed refund plan and on December 10, 1990 filed an update of its refund plan.

On December 31, 1990, the Department filed an addendum to its recommendation.

FINDINGS AND CONCLUSIONS

Subsequent to National TeleService's complaint regarding U.S. Link's offering of Omni Link, U.S. Link filed a tariff proposal for Omni Link which was approved by the Commission on April 20, 1990.¹

The Omni Link pricing plan generally provided lower rates than those offered pursuant to U.S. Link's standard WATS tariffs. Only customers with primarily short-haul calls (under 35 miles) experience increased rates under the Omni Link pricing plan. The Company stated that before offering Omni Link it analyzed

¹ In the Matter of a Request by U.S. Link to Add a New Pricing Option, Docket No. P-465/M-90-287, ORDER (July 25, 1990).

customer calling patterns and did not encourage customers with primarily short haul calls to select Omni Link. Both Omni Link and the conventional WATS rate structure were available to U. S. Link's customers during the time that Omni Link was offered but not tariffed.

The Company proposed to refund any Omni Link revenue received from any customer prior to the Commission's approval of the Omni Link tariff that was higher than the amount the customer would have paid under the tariffed WATS rates during that period. In addition, the Company proposed to pay the customer 12% annual interest (1% per month) on the refund amount.

Under the circumstances, the Commission finds that the Company's refund plan is reasonable and will approve it. The Company is now in compliance with the law and previous Commission orders requiring companies to file their rates with the Commission. In addition to being required to make this refund, the Company is formally cautioned to file up-to-date tariffs with the Commission and comply with any other applicable statutory requirements before offering or altering a service. Finally, the Company will be required to notify the Commission when the refund is completed, whereupon this docket will be closed.

ORDER

1. The refund plan proposed by U. S. Link is approved. U.S. Link shall refund to customers the amounts by which their charges under the Omni Link pricing plan exceeded the amounts they would have paid under U.S. Link's standard rate plan during the period that the Commission had not approved the Omni Link tariff and shall also pay 12% annual interest (1% per month) on any such refunds.
2. U.S. Link shall provide customers receiving a refund an explanation of the refund at the time it makes the refund.
3. U.S. Link shall make such refunds by check within 30 days of the date of this Order.
4. Upon completion of the refund process, U.S. Link shall notify the Commission.
5. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Richard R. Lancaster
Executive Secretary

(S E A L)